



## Morgantown Is A Good Place To Start The Morning

By Amy Higginbotham, Economist

According to the ACCRA Cost of Living Index<sup>1</sup>, in the fourth quarter of 2006, Morgantown was not only a cheap place to buy ingredients for a filling home-cooked breakfast but also had a cost of living for professional households that was average for an urbanized area in the United States. Table 1 contains summary data on the cost of living for Morgantown and other metropolitan areas.

Morgantown's average fourth quarter index was driven by above average prices for utilities and healthcare items and well below average prices for miscellaneous goods/services, as shown in Table 1. Utilities, which include natural gas and electric costs for a 2,400 square foot home as well as local phone service, for Morgantown were 12.2 percent above the average. Health care costs in the area were 6.5 percent above the national average due to significantly high dental care costs. The cost for miscellaneous goods and services, which includes 19 items, in Morgantown, was the 41st cheapest.

**Table 1: ACCRA Cost of Living  
Fourth Quarter 2006**

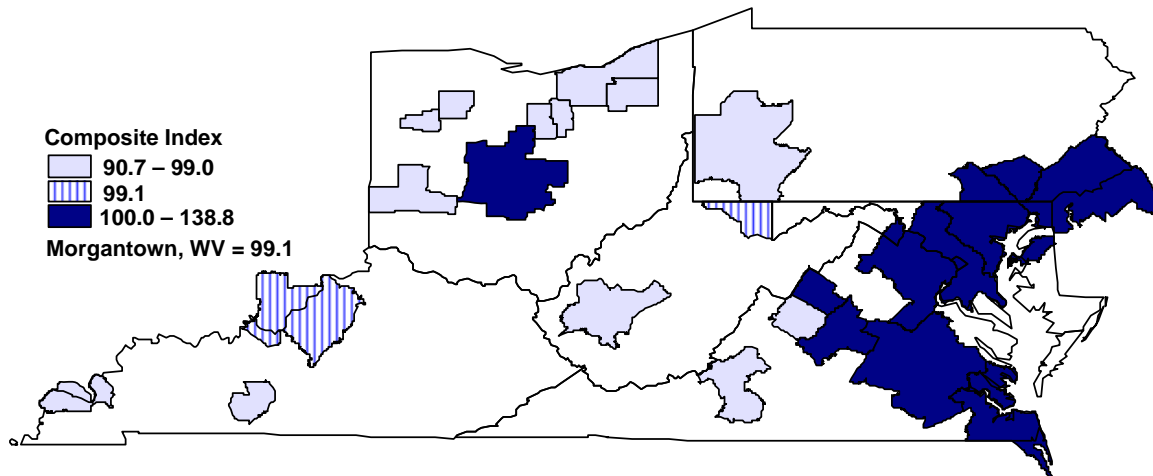
Metropolitan Area	Composite Index (100%)	Grocery Items (13%)	Housing (29%)	Utilities (10%)	Transportation (9%)	Health Care (4%)	Misc. Goods & Services (35%)	Estimated 2005 MSA Population
<b>West Virginia Urban Areas</b>								
Morgantown	99.1	98.8	101.4	112.2	97.9	106.5	93.2	114,501
Charleston	91.5	88.7	84.8	103.6	95.9	93.7	93.1	306,435
<b>Other Eastern University Communities</b>								
Charlottesville, VA (University of Virginia)	110.7	111.8	128.1	92.4	100.4	116.5	103.8	188,424
Cincinnati, OH (Cincinnati)	91.9	89.8	83.0	95.2	91.9	94.7	98.4	2,070,441
Columbus, OH (Ohio State University)	100.1	98.3	96.5	116.6	101.2	105.1	98.4	1,708,625
Louisville, KY (Louisville)	99.1	95.8	90.7	89.8	116.5	100.1	104.6	1,208,452
Pittsburgh, PA (Pittsburgh)	98.7	102.8	100.8	111.0	99.4	87.3	93.1	2,386,074
<b>Major U.S. Metro Areas</b>								
Atlanta, GA	95.6	99.1	92.0	85.9	100.4	105.2	97.4	4,917,717
Boston, MA	134.5	121.8	169.3	117.7	103.2	132.0	125.4	4,411,835
Cleveland, OH	97.8	107.6	88.1	110.9	97.3	101.0	98.1	2,126,318
Denver, CO	103.4	103.5	107.9	102.3	99.2	107.5	100.7	2,359,994
Houston, TX	90.0	84.3	72.5	111.6	95.0	103.3	96.9	5,280,077
Miami, FL	113.8	104.8	135.4	102.2	115.0	108.7	103.5	5,422,200
New York (Manhattan), NY	214.7	152.5	394.0	151.2	128.2	131.0	146.7	18,747,320
Philadelphia, PA	125.6	124.9	152.0	118.0	108.3	107.0	113.9	5,823,233
Washington, DC	138.8	111.2	211.8	121.8	109.9	113.1	106.6	5,214,666

\* Population of the Washington-Arlington-Alexandria DC-VA-MD-WV Metropolitan Division  
Source: ACCRA Cost of Living Index: Comparative Data for 274 Urban Areas Volume 39(4)

<sup>1</sup> The ACCRA Cost of Living Index, which is prepared by the Council for Community and Economic Research, provides a useful and reasonably accurate measure of living cost difference among urban areas. The index is directed towards a specific household base, which consists of a two-income household whose income range starts on average above \$90,000 a year. The index is based on prices of 57 specific items that fall into one of these six categories: housing, utilities, grocery items, transportation, healthcare, and miscellaneous goods/services.

For the fourth quarter of 2006, the cost for a professional standard of living ranged from more than twice the national average in New York (Manhattan), New York to 18 percent below average in Joplin, Missouri. As you can see on Map 1, Morgantown's urbanized area had a composite index of 99.1, which equaled that of Big East rival Louisville, Kentucky and ranked the area 88th highest of the 274 participating cities. Of the urbanized areas that participated in the states surrounding West Virginia, thirteen urbanized areas had cost of living index lower than Morgantown's index. Norwalk, Ohio had the lowest index (89.4) of the area while Washington, DC at 138.8 had the highest index.

**Map 1: ACCRA Cost of Living Index  
Fourth Quarter 2006**



While Morgantown's cost of living is average, the cost of a home-cooked breakfast is cheaper in Morgantown. As shown in Table 2, the cost of breakfast cooked at home consisting of sausage, eggs, toast, orange juice, and coffee in Morgantown is \$11.26. While the breakfast cost in Morgantown is 30 cents higher than in Charleston, it is well below the most expensive city, Honolulu, Hawaii, where the price for such a meal would cost almost \$22.00.

**Table 2: ACCRA Cost of Living - Price of a Home Cooked Breakfast  
Fourth Quarter 2006**

	Sausage	Eggs	Bread	Coffee	Orange Juice	
	(16oz.)	(one dozen, grade A, large)	(24oz., white)	(11.5 oz.)	(64 oz.)	<b>Total Cost</b>
<b>Morgantown, WV</b>	<b>\$3.02</b>	<b>\$0.94</b>	<b>\$1.17</b>	<b>\$3.11</b>	<b>\$3.02</b>	<b>\$11.26</b>
Charleston, WV	\$2.77	\$0.99	\$1.21	\$2.77	\$3.22	\$10.96
Pittsburgh, PA	\$3.31	\$0.90	\$1.33	\$3.01	\$2.73	\$11.28
Washington, DC	\$3.89	\$1.29	\$1.12	\$3.77	\$2.50	\$12.57
New York City (Manhattan), NY	\$4.79	\$1.97	\$2.27	\$4.23	\$3.59	\$16.85
Average of Participating Cities	\$3.26	\$1.05	\$1.18	\$3.13	\$2.95	\$11.57
Highest of Participating Cities	\$4.84	\$2.93	\$2.96	\$5.60	\$5.55	\$21.88

Source: ACCRA Cost of Living Index: Comparative Data for 274 Urban Areas Volume 29(4)

Despite the fact that the ACCRA Cost of Living Index is a useful indicator of local economic conditions, it should be considered with caution. The index is estimated for a specific group of individuals and does not include many of the taxes imposed on those individuals. Local conditions of an area are also not a part of the index and should be considered before concluding exactly what relative cost of living information means.

## Is There A Doctor In The House?

Yes! In fact, there are far more than physicians per capita in the Morgantown metropolitan statistical area (MSA) than in most metropolitan areas.<sup>2</sup> According to data from the American Medical Association, shown in Table 3, there were 843 physicians in the Morgantown area in 2003. On a per capita basis that translates into 743 physicians per 100,000 residents, which ranked Morgantown 7<sup>th</sup> out of the 361 metropolitan areas in the nation. In addition, Morgantown posted a per capita physician level that was 2.6 times the metropolitan average.

**Table 3: Physicians In U.S. Metropolitan Areas In 2003**

	Number	Per 100,000 Residents	Per Capita Rank
Rochester, MN	2,964	1,720	1
Iowa City, IA	1,761	1,294	2
Durham, NC	4,934	1,108	3
Charlottesville, VA	1,902	1,057	4
Ann Arbor, MI	3,435	1,023	5
Gainesville, FL	1,928	812	6
Morgantown, WV	843	743	7
Madera, CA	150	112	355
Merced, CA	256	111	356
Laredo, TX	226	106	357
Hanford-Corcoran, CA	144	104	358
Monroe, MI	142	94	359
El Centro, CA	139	93	360
Hinesville-Fort Stewart, GA	60	85	361
Average Metropolitan Area	2,176	284	--

Source: State and Metropolitan Area Data Book: 2006.

The health care community in Morgantown includes more than physicians. Indeed, according to data from Workforce West Virginia, there were 11,600 education and health care jobs in Morgantown (with the vast majority of those in health care) in 2006. That accounted for 19.4 percent of nonfarm jobs in the metropolitan area. In contrast, education and health care jobs accounted for 15.0 percent of state jobs and 13.1 percent of jobs nationally. In fact, four out of the top ten employers in Monongalia County in 2006 were health care employers.

In addition, there has been significant job growth in education and health care in Morgantown since 2000, with 2,300 net new jobs by 2006. That translates into an annual rate of growth of 3.7 percent per year, compared to 2.1 percent for the state and 2.8 percent nationally. The latest Morgantown MSA economic outlook calls for this strong job growth to continue during the next five years, reflecting in part the large capital expansions at the WVU Health Sciences Center and Monongalia General Hospital. Overall, the health care sector of the local economy has contributed significantly to local economic growth and is expected to continue to boost job and income gains in the near future.

<sup>2</sup> The Morgantown MSA includes Monongalia and Preston counties. Physicians are active, non-federal, physicians as of December 31. Latest data available is for 2003.

**Morgantown MSA Economic Indicators**  
(Seasonally Adjusted Unless Otherwise Noted)

Region/Indicator	Year			Quarter				
	2004	2005	2006	2005:4	2006:1	2006:2	2006:3	2006:4
<b>Morgantown MSA</b>								
Total Nonfarm Employment	55,903	57,489	59,561	57,651	59,078	58,793	59,755	60,644
Total Nonfarm Employment (%)	2.8	2.8	3.6	-2.9	10.3	-1.9	6.7	6.1
Nat. Res. and Mining	810	769	932	652	893	941	931	962
Construction	2,484	2,741	2,752	2,916	2,724	2,753	2,762	2,770
Manufacturing	3,644	3,784	3,873	3,871	3,910	3,891	3,855	3,838
Trade, Trans., and Util.	7,814	8,233	8,673	8,427	8,535	8,416	8,630	9,101
Information	635	632	660	685	655	656	668	662
Financial Activities	1,707	1,693	1,775	1,719	1,757	1,803	1,759	1,782
Prof. & Bus. Servs.	4,658	4,478	4,300	4,420	4,236	4,303	4,348	4,317
Educ. & Health Servs	10,753	11,141	11,576	11,231	11,484	11,524	11,652	11,653
Leisure and Hospitality	5,026	5,193	5,660	5,269	5,585	5,413	5,653	5,999
Other Services	2,761	2,761	2,828	2,814	2,858	2,755	2,848	2,857
Total Government	15,618	16,065	16,538	15,646	16,441	16,338	16,649	16,703
Unemployment Rate (%)	3.8	3.5	3.7	3.2	3.4	4.0	4.1	3.4
Residential Const. Contracts (\$ mil. AR)	38	25	28	34	31	29	27	26
Non-Building Const. Contracts (\$ mil., NSA AR)	19	13	66	8	19	42	80	122
Non-Residential Const. Contracts (\$ mil., NSA AR)	121	93	155	112	189	250	155	26
Residential Const. Contracts (Units AR)	456	182	160	185	169	169	155	156
Housing Price Index (NSA, 1980Q1=100.0)	139.3	158.6	171.3	169.8	162.6	168.5	174.5	179.6
Housing Price Index (%)	9.9	13.8	8.0	27.6	-15.8	15.4	15.0	12.0
Population	113,883	114,501	n/a	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	27,211	28,768	n/a	n/a	n/a	n/a	n/a	n/a
<b>West Virginia</b>								
Total Nonfarm Employment (thous.)	737.0	746.7	756.0	748.9	755.1	754.8	755.6	758.5
Total Nonfarm Employment (%)	1.3	1.3	1.2	-0.4	3.4	-0.2	0.4	1.6
Unemployment Rate (%)	5.3	5.0	5.0	4.9	4.6	4.9	5.2	5.1
Residential Const. Contracts (\$ mil. AR)	830	1,121	1,175	1,199	1,848	1,038	984	1,048
Non-Building Const. Contracts (\$ mil., NSA AR)	681	985	869	1,479	474	1,281	953	768
Non-Residential Const. Contracts (\$ mil., NSA AR)	528	716	1,004	1,063	1,036	879	469	1,631
Residential Const. Contracts (Units AR)	6,104	6,449	5,998	6,117	8,521	5,495	5,219	5,347
Housing Price Index (NSA, 1980Q1=100.0)	195.0	214.9	231.3	223.3	227.7	228.2	234.6	234.8
Housing Price Index (%)	6.1	10.2	7.6	6.9	8.3	0.8	11.8	0.3
Population	1,810,906	1,814,083	1,818,470	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	24,962	26,029	n/a	n/a	n/a	n/a	n/a	n/a
<b>United States</b>								
Total Nonfarm Employment (thous.)	131,423	133,696	136,175	134,652	135,393	135,913	136,442	136,951
Total Nonfarm Employment (%)	1.1	1.7	1.9	1.6	2.2	1.5	1.6	1.5
Unemployment Rate (%)	5.5	5.1	4.6	5.0	4.7	4.6	4.7	4.5
Housing Price Index (NSA, 1980Q1=100.0)	324.6	367.3	400.8	384.9	393.7	398.9	403.0	407.5
Housing Price Index (%)	10.7	13.1	9.1	12.7	9.5	5.4	4.2	4.6
Population	293,638,158	296,507,061	299,398,484	n/a	n/a	n/a	n/a	n/a
Per Capita Personal Income (\$)	33,090	34,495	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

Construction data is from FW Dodge. Monthly data is reported at annual rate. NSA means Non-seasonally Adjusted data. AR indicates annual rate  
Per Capita Personal Income is from www.bea.gov , Population is based on Census estimates on July 1 of that year  
Employment data is from the Bureau of Labor Statistics and WORKFORCE West Virginia  
Housing Price Index is from the Office of Federal Housing Enterprise Oversight.  
Data compiled by WVU Bureau of Business and Economic Research, www.bber.wvu.edu

## Morgantown MSA Economic Monitor

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